

plied to the payment of dividends gave an average of 9.40 per cent. When we consider that the stockholders not only have this \$60 657,900 risked, but are liable for a further sum of \$41,547,900, under the double liability clause of the Bank Act, we must conclude that the profits of the business in which this capital is engaged, and this risk run, are not satisfactory. An eminent English banker once said: "Bank shares are not worth holding if the dividend is below 10 per cent." At present, so plentiful is money in Canada, any leading bank stock purchasable to pay 5 per cent. would be snapped up at once. The question naturally arises: Why are the banks not earning higher profits? It is not possible to compare this business with any other, because the banker, over and above the borrowing of money and lending it—which is analogous to a trader buying and selling goods—renders a class of services to his customers which are peculiar to banking.

An analysis of the earning powers of the above banks, apart from the cost of the services so rendered to customers, yields this result. They hold in Capital, Reserve Funds, Circulation and Deposits a gross aggregate sum of \$208,908,000. This sum is, of course, not all available for active use, the cash in the bank tills, and held by the government to secure the note circulation of the above banks, is about \$18,000,000, this reduces their working funds down to \$190,908,000. This, however, is further reduced in earning power by certain balances which are not actively occupied in making any return, or little beyond the expenses entailed by the accounts they represent. There is also the investment in bank premises which for the above named banks amounts to \$4,062,503. On this sum of \$185,845,497, the total of their net profits last year was only equal to 2.11 per cent.

Two conclusions seem, we submit, inevitable from this exhibit: first, they must have held a large amount of what Mr. Walker called "idle money:" second, it points to the price paid for deposits being too high for what profits they can be made to yield.

But this does cover the whole ground, the uncovered part being that alluded to by the General Manager of the Merchants Bank, when he said that business which cost the banks money was done without any charge "for nothing." There are thousands of accounts in our banks which come under this head. The credit balances they show are wholly inadequate to meet the office charges they involve. Every banker knows that his ledger contains a large number of accounts, the whole work of keeping which is done without a cent of profit. A common idea is like that of the old apple-woman who said she lost by every sale, but made money by selling so much. The aggregate of credit balances, styled "deposits," we do not consider at all equal in value to the expenses involved in keeping the greater bulk of mere cash accounts.

English and many country bankers make a small charge on all cheques drawn, which is calculated on the gross turnover each half-year. As a rule, this amounts to enough to pay office expenses, which is an equitable arrangement, it protects bankers from doing business "for nothing."

In London, where credit balances are so promptly usable, and where cash reserves can be kept very low, as re-discounting can be done any moment to meet sudden calls, these funds have an earning power they have not in Canada, where a considerable percentage of "idle money," or money earning only enough to pay deposit interest, must always be held. The problem is so serious a one for bankers, it suggests the consideration of the question by the Bankers' Association.

### FIRES IN MONTREAL.

The report of the Secretary of the Fire Commissioners, Mr. C. H. Emond, for the six months ending July 1, is as follows:—

To Messrs. Perry and Poirier, Fire Commissioners, Montreal:

GENTLEMEN,—I beg to submit to you my report of the work done by the Fire Commissioners from January 1 to July 1, 1895. During this space of time investigations have been made to discover the origin of 186 fires, and the written evidence, under oath, by witnesses in these cases has been filed at the office of the Clerk of the Peace. Three hundred and seventy-nine witnesses have been examined.

The following table gives the class of property destroyed, or partly so, the amount of insured and the losses incurred:

PROPERTY.	INSURANCE.	LOSSES.
57 Dwellings.....	\$ 69,875	\$15,837
18 Stables, haylofts, sheds.....	19,046	7,203
1 School house.....	29,400	400
5 Dry goods stores.....	29,100	10,740
2 Boiler rooms and shops.....	26,500	1,700
6 Groceries.....	7,980	3,434
4 Fancy good stores.....	10,600	8,390
2 Ironware stores.....	4,150	105
2 Provision stores.....	3,600	330
3 Tea and coffee stores.....	2,385	204
4 Hotels and restaurants.....	81,500	1,960
5 Boot and shoe stores.....	25,500	6,260
3 Confectionery stores.....	23,000	609
4 Millinery stores and shops.....	3,600	2,305
1 Photographer's shop.....	1,700	2,400
3 Fur stores.....	45,250	35,500
1 Electric Protection Co.....	10,500	2,160
2 Plumbers' shops.....	3,300	75
1 Mechanics' Institute.....	15,281	2,350
3 Butchers' shops and stalls.....	1,475	1,755
3 Picture and frame stores.....	10,000	5,115
2 Cabinet warerooms and furniture stores..	4,000	471
4 Boarding houses.....	5,060	2,225
1 Montreal Horse Exchange ..	15,000	1,000
3 Printers' and bookbinders' shops.....	4,500	2,895
2 Jewellers' shops and stores.....	5,500	2,500
1 Wine and liquor store.....	8,000	5,000
1 Paint and wall paper store.....	3,400	700
1 Billiard manufactory.....	4,500	9,000
1 Drug store.....	4,000	3,500
1 Gents' furnishing store.....	3,200	3,000
2 Paper and stationery stores.....	42,000	6,000
1 Undertaker's.....	3,500	500
1 Woollen mill.....	156,000	1,500
1 Manufacture of laces.....	3,000	2,750
1 Saw mill.....	5,875	900
1 Fibre works.....	2,500	...
1 Cooper's shop.....	1,250	2,700
1 Blacking dressing manufactory.....	1,800	1,800
11 Miscellaneous.....	7,000	4,555

Total..... \$501,817 \$159,558

The causes were as follows: Maliciously set, 1; vermin and matches 8; defective grates, 2; defective chimneys, 0; thawing pipes, 5; defective stove pipes, 2; causes unknown, 48; children playing with matches, 7; electric wire, 2; steam boiler and boiler room, 3; over heated stoves, 32; accidental, 16; spontaneous combustion, 4; cigar and pipe smoking, 12; gas jets, 5; coal oil and lamp explosion, 24; hot ashes, 2; incendiary, 1; matches, 6.